Waiving of Bank loans of 1984 riot victims

4295. SHRI N'LOTPAL BASU: Will the Minister of FINANCE be pleased to state:

(a) whether as per announcement made in New Delhi in July, 1996 in respect of waiving of Bank loans upto Rs. 50,00/-granted to November 1984 riot victims has been implemented;

(b) if so, how many riot victims have benefited therefrom;

(c) if not, the latest position for writing off Bank loans of 1984 riot victims upto Rs. 50,000/- and interest thereon; and

(d) when these Bank loans would be written off?

I. THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) to (d) The reliefs^concessions already extended by the Government to the November, 1994 riot affected borrowers *inter-alia,* include:

(i) Reduction of interest to 6 percent per annum, in deserving cases, on loans extended to November, 1984 riot affected borrowers from 1st November, 1984 or from the date of grant of laon, if granted subsequently upto 31st December, 1989. A sum of Rs. 23.47 crores has already been released for settling the individual claims;

(ii) Write off of loans where the principal of loan was upto Rs. 25,00<y- at the time of grant of loan, alongwith interest outstanding. Claims aggregating to Rs. 15.58 crores in 9,487 accounts have already been settled; and

(iii) Scaling down of interest to 1 percent per annum (simple), in deserving cases on loans from 1st November, 1984 or from the date of grant of loan, if granted subsequenlty upto 31st March, 1992. A sum of Rs. 31.37 crores has already been released for settling the individual claims.

Following the announcement of further reliefs to the November, 1984 riot affected borrowers for waiving of bank loans upto Rs. 50,000'-, the matter has been examined and a final decision for implementation of a scheme in this regard is expected to be taken shortly.

Investigation into contributions received by Political parties

4296. SHRI M.A. BABY: Will the Minister of FINANCE be pleased to state:

(a) whether the Enforcement Diorectorate has undertaken any scrutiny/ investigation oflnto contributoins received by political parties during the last two years; and

(b) whether any irregularities[7] discrepancies have been noticed in the matter; if so, the details thereof and the action taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) No, Sir.

(b) Does not aries.

Income tax raid on MESCO Group

4297. SHRI MUKESH R. PATEL:
SHRI RAJNATH SINGH 'SURYA':

Will the Minister of FINANCE be pleased to state:

(a) whether it is fact that an income-tax raid was conducted on different premises of MESCO group; and

(b) what lead the IT Officials to conduct the raid and the findings thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) Yes, Sir, search and seizure action was conducted on different premises of MESCO group on 26.2.1997.

(b) The search was conducted on the basis of information that the group was

resorting to large-scale tax evasion. During search incriminating evidences have been found showing tax-evasion and luxurious life styles led by the directors and key persons in the group. Total seizure of unexplained assets was of Rs. 450.66 lakhs.

Avoidance of Customs Duty by ESSAR Steel

4298. SHRI BHAGABAN MAJHI: Will the Minister of FINANCE be pleased to state:

(a) whether ESSAR Steel has manipulated the purchase of sponge iron manufacturing plant to avoid customs;

(b) if so, the details thereof; and

(c) the action Government propose to take against the company, including levy of penalty for willful delay in payment?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) to (c) M/ S. ESSAR Steel imported sponge iron manufacturing plant in respect of which recalculation of valuation was done by Customs in accordance with the judgement passed by hon'ble Supreme Court by adding 14.41 million DM paid by the importer on account of processing licence fees, technical, engineering and consultancy fees etc. Total Customs duty recoverable after recalculation of the value k Rs. 10.63 crores plus 5.96 crores as interest for the period 28.10.91 to 30.4.97. The party has been directed to pay the said amount failing which action under the Customs Law would be initiated.

Reimbursement of expenditure for receiving of pay scales for State Governments

4299. SHRI SATISH AGGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government have received any memoranda-representations from various State Government regarding reimbursal of additional expenditure that they will have to incur on account of revision of pay scales of their employees after implementation of the report of Fifth Pay Commission;

(b) if so, whether Government would consider their demand sympathetically; and

(c) whether Government have advised the State Governments to set-up such pay commissions for their employees; if so, the response of various State Governments?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) Yes, Sir.

(b) It is for the State Government to provide for salaries of their employees.

(c) No, Sir, State Governments are free to decide on matters of revision of the salaries of their employees and to appoint pay commission as and when they deem it appropriate.

Fiscal Concessions to private institutions

4300. SHRI M.D. SALIM: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that for the last few years, private institutions which are engaged in medical research, rather than simple health care and related medical activity, have been the beneficiaries of a range of Government fiscal concessions;

(b) whether the so called 'research activity' entitles the particular institutions to tax breaks, to the import of equipment from abroad, either duty-free or at substantially reduced tariffs, and to a variety of other incentives and concessions; and

(c) if so, what steps Government propose to take against this enormous Government subsidy in the health system for private profiteering?